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E.O. 11652: N/A

TAGS: ENRG, IEA, GW

SUBJECT: IEA/SLT: FRG COMMENTS ON USG PROPOSALS

REF: (A) BONN 5109; (B) STATE 71487

1. ECONMINISTRY HAS GIVEN US OFFICIAL FRG REACTION
TO USG PROPOSALS ON (A) INTERNATIONAL ENERGY INSTITUTE
AND (B) FUTURE IEA ACTIVITIES. TEXT OF
FRG PAPERS FOLLOWS.

2. IEL. "GERMAN COMMENTS ON THE IEA PAPER GB (76) 7
IN RESPECT OF THE US PROPOSAL TO ESTABLISH AN
INTERNATIONAL ENERGY INSTITUTE (IEI).

THE FEDERAL GOVERNMENT HAS NOT TAKEN A FINAL POSITION
YET WITH REGARD TO THE US PROPOSAL. IN ITS VIEW,
THE DECISIVE ELEMENT WOULD BE THE MOTIVATION FOR AN
IEI. SUCH AN INSTITUTION WOULD FROM THE BEGINNING
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HAVE TO HAVE LIMITED FUNCTIONS, IN PARTICULAR WITH

RESPECT TO THE PROBLEMS OF THE DEVELOPING COUNTRIES
AND TAKING INTO CONSIDERATION EXISTING INTERNATIONAL
BODIES. CARE MUST THEREFORE BE TAKEN FROM THE
BEGINNING THAT NO FALSE EXPECTATIONS ARE RAISED.

IN THE NECESSARY THOROUGH EXAMINATION OF THE
QUESTION RELATING TO A MEANINGFUL SPHERE OF
ACTIVITY FOR AN INTERNATIONAL ENERGY INSTITUTE,
ACCOUNT SHOULD BE TAKEN IN PARTICULAR OF THE
FOLLOWING POINTS:

(A) UTMOST CARE MUST BE TAKEN TO AVOID THE
IMPRESSION THAT THE INSTITUTE MIGHT CONTRIBUTE TO
DIVIDING THE THIRD WORLD. FOR THIS REASON,
THE FIFTH SUBPARA. OF I.3 ON PAGE 1 WOULD SEEM
PROBLEMATIC. MOREOVER, THE IDEA IS ALREADY COVERED
BY WHAT IS SAID IN THE THIRD SUBPARAGRAPH.

(B) DUPLICATION OF WORK SHOULD BE AVOIDED.

THIS REQUIRES AT FIRST AN ANALYSIS OF WHICH OF THE
POSSIBLE TERMS OF REFERENCE OF AN IEI ARE ALREADY
COVERED BY THE ACTIVITIES OF INTERNATIONAL
INSTITUTIONS OR BY BILATERAL ACTIVITIES.

THE QUESTION ARISES HOW TO PREVENT IEI ACTIVITIES
FROM COMPETING WITH OTHER ON-GOING EFFORTS
(PAGE 3, II, 8) OR WHETHER THE IEI COULD
PRINCIPALLY PLAY A COORDINATING ROLE WITH REGARD
TO EXISTING BILATERAL AND MULTILATERAL ACTIVITIES
(PAGE 3, II, 9). THE LATTER COURSE MIGHT MEET
WITH DIFFICULTIES BECAUSE OF THE DIFFERENCE IN THE
MEMBERSHIP OF INTERNATIONAL ORGANIZATIONS.

IN THIS CONTEXT IT SHOULD ALSO BE EXAMINED TO
WHAT EXTENT FINANCIAL RESOURCES AND PERSONNEL FOR
A POSSIBLE IEI COULD BE MADE AVAILABLE BY REDUCING
SIMILAR ACTIVITIES OF OTHER INTERNATIONAL INSTITUTIONS.

(C) FUNCTIONS OF THE IEI:
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(1) THE QUESTION ARISES WHETHER THE STRUCTURE
AND IMPLEMENTATION OF MORE OR LESS DIFFICULT
MATHEMATICAL ENERGY MODELS DESIGNED TO FACILITATE
ALTERNATIVES WOULD BE AN EFFECTIVE MODEL FOR DEVELOPING
COUNTRIES WITH A RELATIVELY LOW INDUSTRIAL LEVEL, THE
MORE SO AS THE INDUSTRIALIZED COUNTRIES DO NOT STAND
ON VERY FIRM GROUND THEMSELVES AS FAR AS THE ENERGY

SYSTEM ANALYSIS IS CONCERNED.

(2) THE TRAINING OF ENERGY EXPERTS (TECHNICIANS AND MANAGEMENT) IS CERTAINLY OF IMPORTANCE, THE MORE SO AS THIS COINCIDES WITH THE WISH OF THE NON-OIL PRODUCING DEVELOPING COUNTRIES THEMSELVES.

(3) THE IDEA OF ASSIGNING TO THE IEI TASKS IN THE FIELD OF THE DISCOVERY AND DEVELOPMENT OF NEW ENERGY

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RESOURCES WANTS TO BE CAREFULLY CONSIDERED. ON THE OTHER HAND SUCH INSTITUTIONALIZED ACTIVITY MUST NOT BE EFFECTED AT THE EXPENSE OF PRIVATE COMPANIES. THE "EFFECTIVENESS" OF AN IEI AS "CLEARINGHOUSE" ALSO WANTS TO BE DISCUSSED.

(4) THE DEVELOPMENT AND EXPORT OF ENERGY TECHNOLOGIES TO DEVELOPING COUNTRIES IS AN IMPORTANT TASK. SOLUTIONS WOULD HAVE TO BE FOUND WHICH ENSURE THAT ANY ACTIVITY OF IEI IN THIS FIELD WOULD NOT DISPLACE BILATERAL OF EC ACTIVITIES.

(5) THE EXAMINATION OF ALL QUESTIONS RELATING TO RESEARCH AND DEVELOPMENT SHOULD BE EFFECTED IN CLOSE CONSULTATION BETWEEN SLT AND CERD.

(D) THE FINANCIAL CONSEQUENCES FOR THE INDUSTRIALIZED LIMITED OFFICIAL USE

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COUNTRIES WILL HAVE TO BE EXAMINED. IT SHOULD ALSO BE REALIZED THAT AN IEI WOULD PROBABLY BECOME AN INSTITUTION OF REAL INTEREST TO THE LDCS ONLY WHEN ITS ACTIVITY EXTENDS BEYOND MERE "SOFTWARE" ACTIVITIES TO INCLUDE THE IMPLEMENTATION OF CONCRETE PROJECTS OF FINANCIAL CONSEQUENCE.

AN EXAMINATION OF THE FINANCIAL IMPLICATIONS WOULD ALSO HAVE TO BEAR ON THE QUESTION TO WHAT EXTENT, IF ANY, FINANCIAL CONTRIBUTIONS OF THE DEVELOPING COUNTRIES THEMSELVES MAY BE ENVISAGED.

(E) CONCRETE STEPS VIS-A-VIS THE COUNTRIES OF THE THIRD WORLD SHOULD NOT BE TAKEN UNTIL THE DIALOGUE HAS ADVANCED TO A STAGE WHICH WILL PERMIT AN ASSESSMENT OF THE MAJOR RESULTS OF THE ACTIVITIES OF THE ENERGY COMMISSION SO THAT THESE CAN BE TAKEN INTO ACCOUNT WHEN DEVELOPING THE STRUCTURE OF AN IEI.

(F) IT IS POINTED OUT THAT THE MEMBER COUNTRIES OF THE EUROPEAN COMMUNITY WILL BE REPRESENTED BY A JOINT DELEGATION AT THE CIEC. THE ABOVE COMMENTS WILL IN NO WAY PREJUDICE THE POSITION OF THE EC AT THE CIEC WHICH WILL BE DEFINED ACCORDING TO INTRA-COMMUNITY RULES."

3. IEA. "COMMENTS BY THE GERMAN DELEGATION ON THE US DELEGATION'S NOTE DATED 15TH MARCH 1976 (IEA/GB (76)15) AND ON THE IEA EXECUTIVE DIRECTOR'S NOTE DATED 8TH MARCH 1976 (IEA/SLT (76) 20)

(A) US DELEGATION'S NOTE: PROPOSALS FOR IMPLEMENTING THE LONG-TERM COOPERATION PROGRAMME.

I. FUNDAMENTAL REMARKS.

THE GERMAN DELEGATION WELCOMES THE AMERICAN
NOTE AS A SUITABLE BASIS FOR DISCUSSION ON IMPLEMENTING
THE LONG-TERM COOPERATION PROGRAM. IT SHARES THE VIEW,
NOW THAT THE LONG-TERM PROGRAM HAS COME INTO EFFECT,
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THAT ALL EFFORTS SHOULD BE MADE TO DEVELOP ITS CONTENT
AND TO IDENTIFY NEW FIELDS FOR ENERGY COOPERATION
WITHIN THE IEA WHERE THESE ARE REALISTIC AND PROMISE
SUCCESS.

WE ARE ESSENTIALLY IN AGREEMENT WITH THE BASIC
TENOR OF THE US DELEGATION'S NOTE. THE INDIVIDUAL
ANALYSES AND IN PARTICULAR THE SPECIFIC PROPOSALS IT
CONTAINS MUST OF COURSE BE EXAMINED CLOSELY AND
INTENSIVELY DISCUSSED WITHIN SLT.

IN DELIBERATING ON FUTURE WORK IN THE LONG-
TERM FIELD, THE SLT SHOULD ABOVE ALL TAKE INTO ACCOUNT
THE PREVIOUS AND CURRENT ACTIVITIES OF OTHER GROUPS
WITHIN THE IEA SO AS TO PREVENT A DUPLICATION OF
EFFORTS.

II. COMMENTS ON INDIVIDUAL POINTS.

1. WE LARGELY SHARE THE VIEWS EXPRESSED IN
THE INTRODUCTORY PARAGRAPHS (NOS. 1 TO 6). THE MAIN
PRIORITY IN THE FUTURE WILL BE TO PREVENT THE DANGER
OF GREATER IMPORT DEPENDENCY AND IF POSSIBLE TO REDUCE
EXISTING DEPENDENCE. IN THE PROCESS, AS IS CLEAR FROM
THE US DELEGATION'S ANALYSIS IN NOS. 3 AND 4, THE

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NATIONAL EFFORTS OF THE USA AND JAPAN WILL BE OF PRIME IMPORTANCE SINCE THEIR ENERGY DEMAND CONTRIBUTES IN PARTICULAR MEASURES TO THE IMPORT DEPENDENCY OF THE IEA. CONSEQUENTLY, THE MAIN CONSUMER COUNTRIES ESPECIALLY WILL HAVE TO SET UP EFFECTIVE NATIONAL ENERGY PROGRAMS UNDER THE UMBRELLA OF THE NEWLY ADOPTED LONG-TERM COOPERATION PROGRAM, AND - EVEN MORE IMPORTANTLY - TAKE ENERGETIC AND EFFECTIVE MEASURES TO IMPLEMENT THESE PROGRAMS OF IMPORT DEPENDENCY REDUCTION BY DEVELOPING NEW ENERGY SOURCES, CONTINUING WITH INTENSIVE EFFORTS IN THE R & D FIELD AND INCREASING EFFORTS TO CONSERVE ENERGY. AT THE SAME TIME, NATIONAL ENERGY PROGRAMS AND THE MEASURES TO BE TAKEN IN IMPLEMENTING THEM SHOULD INVOLVE A HIGH DEGREE OF SCOPE FOR COOPERATION AMONG IEA COUNTRIES.

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2. WE ARE ALSO IN PRINCIPLE IN AGREEMENT WITH THE VIEWS PUT FORWARD IN NOS. 7 TO 14.

-IN THE CONTEXT HERE REFERRED TO, A DECISIVE PART WILL BE PLAYED BY JOINT TARGETS FOR THE REDUCTION OF IMPORT DEPENDENCE. HOWEVER, SIMPLY SETTING UP TARGETS WILL NOT HAVZ THE DESIRED EFFECT UNLESS COUNTRIES BASE THEIR NATIONAL ENERGY POLICIES ON THE ACHIEVEMENT OF SUCH GOALS AND PROVIDE FOR REALISTIC IMPLEMENTING MEASURES IN THEIR ENERGY PROGRAMS.

-IN THE VIEW OF THE GERMAN DELEGATION, THE ENERGY PRICE LEVELS IN INDIVIDUAL COUNTRIES ARE OF CENTRAL IMPORTANCE TO ACHIEVING THE ABOVE GOALS. ACCORDINGLY, THE SLT SHOULD EXAMINE FIRST OF ALL IN WHICH COUNTRIES STATE-REGULATED ENERGY PRICES, WHERE THEY ARE FIXED AT LEVELS BELOW WORLD PRICES, HAVE THE EFFECT ON THE ONE HAND OF ENCOURAGING ENERGY CONSUMPTION AND ON THE OTHER OF INHIBITING THE DEVELOPMENT OF NEW ENERGY SOURCES. AN ATTEMPT SHOULD BE MADE TO ASSESS THE IMPACT OF PRICE REGULATING POLICIES ON THE MAIN OBJECTIVE OF THE LONG-TERM COOPERATION PROGRAM, NAMELY THE REDUCTION OF DEPENDENCE ON IMPORTED OIL. THE SLT COULD THEN SUBMIT RECOMMENDATIONS DEALING WITH CONCRETE MEASURES BY THE MEMBER COUNTRIES TO THE GOVERNING BOARD FOR DECISION.

-THE GERMAN DELEGATION BELIEVES THAT THE ENERGY POLICY OF THE UNITED STATES IS OF CENTRAL IMPORTANCE, SINCE IT IS THE LEADING PRODUCING AND CONSUMING COUNTRY. IT IS THEREFORE CRUCIAL TO DETERMINE WHICH OF THE ADMINISTRATION'S PROPOSALS LISTED IN NO. 14 HAVE A REAL CHANCE OF SUCCEEDING AND THUS OF CONTRIBUTING TO REDUCING IMPORT DEPENDENCE.

3. IMMEDIATE WORK PROGRAM (NO. 15 ET SEQ.)

3.1 COUNTRY REVIEWS (NO. 15)

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WE SHARE THE OPINION THAT THOROUGH AND RIGOROUS REVIEWS OF NATIONAL ENERGY POLICIES WILL BE AN ESSENTIAL REQUIREMENT IN THE IMPLEMENTATION OF THE OBLIGATIONS AND ARRANGEMENTS ALREADY CONTAINED IN THE LONG-TERM PROGRAM (SEE ESP. THE GUIDELINES AND CHAPTER V) AS WELL AS THE JOINT GOALS FOR REDUCING DEPENDENCE. THE COUNTRY REVIEWS CONDUCTED FOR THE FIRST TIME IN 1975 HAVE ALREADY INTERESTING RESULTS. WE WELCOME THE FACT THAT THE SLT AND THE RELEVANT SUB-GROUP ON "ALTERNATIVE ENERGY SOURCES" ARE DIRECTING THEIR EFFORTS TOWARDS EVEN BETTER COUNTRY REVIEWS IN 1976.

HOWEVER, THESE COUNTRY REVIEWS CAN ONLY HAVE A SUPPORTIVE FUNCTION. THE REAL INITIATIVE MUST COME FROM NATIONAL ENERGY PROGRAMS AND ABOVE ALL FROM THE INDIVIDUAL MEASURES TAKEN TO IMPLEMENT THEM. IT IS VITAL THAT THE NECESSARY CONCLUSIONS BE DRAWN FROM THE COUNTRY REVIEWS AND GENUINELY APPLIED IN PRACTICAL

ENERGY POLICY.

3.2 AS REGARDS COOPERATION IN SPECIFIC ENERGY
SECTORS (NOS. 16 TO 25), IT IS THE FIELDS OF NUCLEAR
POWER AND COAL WHICH ARE CURRENTLY THE FOCUS OF
ATTENTION:

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(A) THE PROPOSAL MADE BY THE US DELEGATION
IN NOS. 20-21 TO BRING TOGETHER THE SEUS GROUP AND THE
AD HOC GROUP ON EMERGENCY SHARING OF NATURAL AND
ENRICHED URANIUM IS A SENSIBLE ONE.

THE NEW NUCLEAR FUEL CYCLE SUB-GROUP,
HOWEVER, SHOULD NOT CONCERN ITSELF WITH THE BACK END
OF THE NUCLEAR FUEL CYCLE BECAUSE

-THESE ISSUES ARE BEING DEALT WITH BY
CERD
-THEY ARE CLOSELY RELATED WITH R & D
PROBLEMS
-THEY ARE TREATED AS ORGANIZATIONALLY
SEPARATE FROM SUPPLY QUESTIONS IN ALL
COUNTRIES.

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THE NEW GROUP SHOULD THEREFORE BE
DESIGNATED THE "NUCLEAR FUEL SUPPLY SUB-GROUP".

(B) IN THE CONTEXT OF COOPERATION IN THE
COAL SECTOR, THE PROPOSAL FOR A POSSIBLE EMERGENCY
MECHANISM RELATING TO COAL (NO. 24) AS WELL AS THE
SUGGESTION MADE IN NO. 25 SHOULD BE LOOKED INTO VERY
CAREFULLY.

3.3 THE ASSESSMENT OF THE IMPORTANCE OF ENERGY
CONSERVATION (NOS. 26 TO 30) UNDER THE LONG-TERM
COOPERATION PROGRAM IS, IN THE GERMAN VIEW, A CORRECT
ONE. WE WOULD LIKE TO MAKE THE FOLLOWING DETAILED
COMMENTS ON THE US DELEGATION'S NOTE:

-IT IS ASSUMED IN NOS. 27 AND 12 THAT A LONG
TERM GOAL FOR REDUCING IMPORT DEPENDENCE WILL FIRST BE
ESTABLISHED, FROM WHICH SUB-GOALS FOR ENERGY CONSERVATION
AND THE DEVELOPMENT OF ALTERNATIVE ENERGY SOURCES WOULD
BE DERIVED. IN OUR VIEW, THE ONLY FEASIBLE APPROACH IS
THE CONVERSE ONE. ONE SHOULD BEGIN BY SETTING REALISTIC
TARGETS FOR ENERGY AND OIL CONSUMPTION (CONSERVA-
TION GOALS) AND FOR THE DEVELOPMENT OF ALTERNATIVE
ENERGY SOURCES, ON THE BASIS OF NATIONAL FORECASTS.
ONLY THEN CAN ONE PROCEED TO QUANTIFY A TARGET FOR
THE REDUCTION OF IMPORT DEPENDENCE. THIS SHOULD
ALSO BE BORNE IN MIND WHEN TIME-SCALES ARE BEING
WORKED OUT FOR THE ACTIVITIES OF THE RELEVANT
SUB-GROUPS.

WHEN FORMULATING THE TARGET FOR THE REDUCTION IN
THE DEPENDENCE ON IMPORTED OIL (NO. 12), WE SHOULD
FOR THE REST NOT ONLY TAKE INTO ACCOUNT THE RATE
OF GROWTH OF OIL CONSUMPTION RELATIVE TO THE GNP,
BUT ALSO THE ABSOLUTE INITIAL FIGURES.

-THERE WOULD AT PRESENT SEEM TO BE NO NECESSITY
TO ESTABLISH EXPERT WORKING PARTIES (NO. 29). ON
THE OTHER HAND, A MORE INTENSIVE EXCHANGE OF

INFORMATION MIGHT BE CONSIDERED IN THE FOLLOWING
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PRIORITY AREAS:

DISTRICT HEATING AND COMBINED PRODUCTION OF
ELECTRICITY AND HEAT-
IMPROVEMENT OF INSULATION AND HEATING SYSTEMS
CONSUMER EDUCATION
TRANSPORTATION.

AN AD HOC MEETING HAS ALREADY BEEN HELD AT THE
SEAT OF THE IEA ON THE SUBJECT OF CONSUMER
EDUCATION. THIS MIGHT BE REPEATED FROM TIME TO
TIME. IN RESPECT OF THE OTHER SUBJECTS THE
RECOMMENDATIONS AND REPORTS RECENTLY ADOPTED BY
THE EC SHOULD BE MADE AVAILABLE TO THE OTHER
IEA MEMBER COUNTRIES. SINGLE AD HOC MEETINGS
COULD THEN BE ORGANIZED WITH A VIEW TO
EXCHANGING ADDITIONAL EXPERIENCE.

3.4 JOINT ENERGY PRODUCTION PROJECTS
(NOS. 31-35)

IN THE NEGOTIATIONS ON THE LONG-TERM
COOPERATION PROGRAM THE GERMAN DELEGATION CONTINUALLY
EMPHASIZED THE PARTICULAR IMPORTANCE OF IDENTIFYING AND
IMPLEMENTING CONCRETE COOPERATION PROJECTS. CONCRETE
COOPERATION IS AN ESSENTIAL PART OF A BALANCED LONG-TERM

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PROGRAM. THIS IS WHY THE OBSERVATIONS OF THE US DELEGATIONS CONTAINED IN NOS. 31-33 ARE GENERALLY WELCOMED; HOWEVER, THE PROJECT AREAS INDICATED BY THE US DELEGATION IN NO. 32 FOR POSSIBLE COOPERATION STILL REQUIRE CAREFUL STUDY BY THE SUB-GROUP "ALTERNATIVE SOURCES OF ENERGY".

IN THE GERMAN VIEW THERE IS HOWEVER NO NECESSITY AT PRESENT (CF. NO. 34 AND 35) TO DEVELOP SPECIFIC FINANCING MECHANISMS, CONSIDERING THAT THEY FAILED TO BE INCLUDED IN THE LONG-TERM PROGRAM AFTER THOROUGH NEGOTIATIONS. EFFORTS SHOULD RATHER BE CONCENTRATED NOW ON IDENTIFYING CONCRETE FIELDS FOR COOPERATION. THEORETICAL AND, THEREFORE, FRUITLESS DISCUSSIONS ON GENERAL FINANCING MECHANISMS MUST AT ALL EVENTS BE AVOIDED.

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4. SECURITY OF SUPPLY (NOS. 39 TO 46)

SUBJECT TO WHAT IS SAID BELOW, THE EXPLANATIONS CONTAINED IN THE NOTE OF THE US DELEGATION IN RESPECT OF THE EMERGENCY RESERVE SITUATION ARE AGREED TO. BUT THE FOLLOWING COMMENTS ARE MADE WITH REGARD TO 43 TO 45:

OBVIOUSLY PAR. 43 IN CONJUNCTION WITH WHAT IS SAID IN THE THIRD SUB-PARAGRAPH OF PAR. 42 SUGGESTS REDUCING THE SHARE OF THE COMMERCIAL WORKING STOCKS IN THE EMERGENCY STOCKS TO BE MAINTAINED BY MEMBER COUNTRIES. THIS WOULD BY NO MEANS APPEAR NECESSARY IN THE GERMAN VIEW. EVEN NOW EVERY MEMBER COUNTRY IS OBLIGED TO TAKE CARE TO COMPENSATE ANY DEFICIT IN ITS EMERGENCY STOCKS BROUGHT ABOUT IN THE COMMERCIAL WORKING STOCKS AS A RESULT OF THE COMPANIES' REGULAR

BUSINESS ACTIVITIES SO THAT DEFICIENCIES IN EMERGENCY STOCKS TO BE HELD CANNOT OCCUR. IF ANYTHING, IT MIGHT BE LEFT TO THE MEMBER COUNTRIES NOT TO INCLUDE COMMERCIAL WORKING STOCKS AT ALL IN THE EMERGENCY STOCKS TO BE HELD BY THEM. BUT SUCH AN ARRANGEMENT SHOULD BY NO MEANS BE BINDING ON ALL MEMBER COUNTRIES. IN THIS CONNECTION IT SHOULD BE RECALLED THAT IN THE FEDERAL REPUBLIC OF GERMANY THE ENERGY SAFEGUARDING LAW PROVIDES THAT IN THE EVENT OF AN EMERGENCY, GOVERNMENT HAS ACCESS TO THE COMMERCIAL WORKING STOCKS OF BUSINESS ENTERPRISES.

IN THE GERMAN VIEW THE NECESSITY IS RECOGNIZED (CF. PAR. 44) OF FACILITATING AS FAR AS POSSIBLE THE CONSTRAINTS IEA MEMBER COUNTRIES MAY FACE IN MAINTAINING EMERGENCY STOCKS. HOWEVER, THE POSSIBILITY OF USING - IN THE FRAMEWORK OF A JOINT STOCKPILE PROGRAM - SURPLUS STORAGE SPACE IN OTHER COUNTRIES WHICH IS READILY ACCESSIBLE IN AN EMERGENCY, REQUIRES CAREFUL CONSIDERATION. ANY ARRANGEMENTS OF THIS TYPE SHOULD BY NO MEANS HOWEVER CONSTITUTE AN OBLIGATION FOR OTHER MEMBER COUNTRIES TO PARTICIPATE IN SUCH A JOINT STOCKPILE PROGRAM. ARRANGEMENTS OF THIS KIND SHOULD THEREFORE BE NEGOTIATED BILATERALLY BETWEEN POTENTIALLY INTERESTED MEMBER COUNTRIES.

ANY ANALYSIS OF THE POSSIBLE CONTRIBUTION OF FUEL SWITCHING CAPACITIES AND STANDBY PRODUCTION CAPABILITIES TOWARDS MEETING NATIONAL COMMITMENTS TO LIMITED OFFICIAL USE

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MAINTAIN EMERGENCY STOCKS UNDER THE IEP WOULD ONLY WELCOME TO THE GERMAN SIDE. SUCH AN ANALYSIS SHOULD HOWEVER ALSO EXAMINE THE POSSIBILITY OF REDUCING THE LEVEL OF THE STOCKS SO FAR CONSIDERED AS ABSOLUTELY UNAVAILABLE.

B. COMMENTS ON DOCUMENT IEA/SLT (76) 20: ANALYSIS OF STRUCTURAL PROBLEMS OF THE ENERGY MARKET

THE PAPER SUBMITTED BY THE EXECUTIVE DIRECTOR PROVIDES A GOOD BASIS FOR A CAREFUL ANALYSIS OF THE STRUCTURAL PROBLEMS OF THE VARIOUS SECTORS OF THE ENERGY MARKET. THE ANNEX ATTACHED AS AN OUTLINE OF WORK ENVISAGED IN THE OIL SECTOR WOULD STILL REQUIRE TO BE STUDIED FURTHER AND SUPPLEMENTED, BUT ITS APPROACH WOULD SEEM TO BE USEFUL ALSO FOR OTHER SECTORS (NATURAL GAS).

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IT WANTS TO BE VERY CAREFULLY EXAMINED WHICH SUBJECTS HAVE ALREADY BEEN OR ARE BEING DEALT WITH IN THE VARIOUS OTHER GROUPS WITH A VIEW TO AVOIDING DUPLICATION OF WORK. WITH REGARD TO OIL THIS IS PARTICULARLY TRUE FOR THE SOM.

THE SLT SHOULD FURTHER BE CAREFUL TO SEE THAT ANALYSES THAT MAY BE ENVISAGED WILL NOT PURSUE OVER-AMBITIOUS OBJECTIVES OR GET LOST IN ABSTRACT CONSIDERATIONS. THE NOTE SHOULD THEREFORE BE REVIEWED TO SEE WHETHER ANALYSES CANNOT BE RELATED TO SELECTED AND MORE SPECIFIC INDIVIDUAL PROJECTS OR AT LEAST TO

WELL DEFINED AREAS OF COOPERATION.
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: 76 BONN 5109, 76 STATE 71487
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 29 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 MAR 2004 by ShawDG>; APPROVED <30 MAR 2004 by GolinoFR>
Review Markings:

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04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IEA/SLT: FRG COMMENTS ON USG PROPOSALS
TAGS: ENRG, US, GE, IAEA, INTERNATIONAL ENERGY INSTITUTE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006